

FOR OFFICIAL USE ONLY

JPRS L/10256

13 January 1982

Sub-Saharan Africa Report

FOUO No. 757



FOREIGN BROADCAST INFORMATION SERVICE

FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

FOR OFFICIAL USE ONLY

JPRS L/10256

13 January 1982

SUB-SAHARAN AFRICA REPORT

FOUO No. 757

CONTENTS

ANGOLA

Measures Taken To Develop Fishing Sector (MARCHES TROPICAUX ET MEDITERRANEENS, 27 Nov 81)	1
Briefs	
MPLA Economic Decisions	2
Spanish Missionary Kidnaped	2
WFP Aid	2

CHAD

Report on Composition of OAU Peacekeeping Force (Sennen Andriamirado; JEUNE AFRIQUE, 18 Nov 81)	3
Chad Said To Have Been Good Training School for Libyan Army (JEUNE AFRIQUE, 18 Nov 81)	6
Briefs	
Libyan Losses in Chad	8
OACI Aid for Airport	8

LIBERIA

Briefs	
Austerity Measures	9
Saudi, Israeli Relations	9
Reduction in Commercial Fleet	9
French Loan	10

MOZAMBIQUE

Briefs	
Measures Against Rural Exodus	11

- a - [III - NE & A - 120 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

SENEGAL

Relations Between Two PDS Leaders 'Not Doing Well' (Sennen Andriamirado; JEUNE AFRIQUE, 25 Nov 81)	12
PDS Secretary Interviewed Concerning Party's Condition (Fara N'Diaye Interview; JEUNE AFRIQUE, 25 Nov 81)	14
Data on Industrial Firms in Dakar Free Zone (MARCHES TROPICAUX ET MEDITERRANEENS, 4 Dec 81)	19
Briefs Senegalese-Kuwaiti Bank Year	21

ZAIRE

Economic and Financial Situation at End of June 1981 (MARCHES TROPICAUX ET MEDITERRANEENS, 6 Nov 81)	22
---	----

- b -

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ANGOLA

MEASURES TAKEN TO DEVELOP FISHING SECTOR

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1881, 27 Nov 81 p 3196

[Text] Fishing, one of Angola's main sources of animal protein, is a key sector for the country. With 1,650 kilometers of coastline and favorable hydrographic conditions, Angola has abundant water resources, resources poorly and inadequately developed, especially since independence, which was accompanied by the exodus or sabotage of most means of production and the departure of nearly all officers and specialized personnel. In fact, while the level of the catch exceeded 700,000 tons a year during the colonial period, it has been but 35,000 tons in recent years, although it did climb back up to some 90,000 tons at the present time.

Combined with the essential need to improve the terms of the national supply of food products, this situation has caused authorities to grant top priority to the rehabilitation of this sector of activity and, within such a framework, to investments oriented toward production and the processing of fishing products.

The recovery will take place in stages. The first will be completed through the startup of a project whose total cost is an estimated \$27.7 million and whose financing is provided by: a \$10-million loan from the Arab Bank for African Economic Development (BADEA), repayable in 15 years, including a 5-year deferment, and carrying an annual interest rate of 6 percent; \$12 million in aid from the Kuwaiti Arab Economic Development Fund (FKDEA); and the assumption, by the government in Luanda, of the cost difference, or \$5.97 million.

The main stages of the project are as follows: the purchase of ten 14-meter fishing boats and the repair of 44 existing vessels; the purchase of a training vessel in order to teach fishermen, a freighter to supply fuel to boats on the high seas and other equipment and materials; the construction of ten piers to improve and expand possibilities of accommodating and unloading boats; and the purchase of transport vehicles, mechanical drying equipment, cold storage chambers and freezing units.

The project will have a positive effect on employment, professional training, processing industries and the commercial balance. It will be spread out over 4 years, beginning early in 1982, and will be supervised by the Ministry of Fishing.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

11,464
CSO: 4719/339

1
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ANGOLA

BRIEFS

MPLA ECONOMIC DECISIONS--The Central Committee of the MPLA-Labor Party met in regular session from 17 to 20 November, presided over by Jose Eduardo dos Santos, chief of state and chairman of the party. Subjects taken up at the meeting included Angola's economic problems. The Central Committee resolved: "to follow the principle of paying wages in keeping with work done and to use material and moral incentives for workers at enterprises turning a profit and for technicians and cadres completing additional work"; and "to protect products of national industry by setting higher prices for similar imported products in order to make up for the deficit of certain nationalized enterprises." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3259] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

SPANISH MISSIONARY KIDNAPED--Cistercian Father Benjamin Fernandez Manzanal, a Spanish missionary, was kidnaped on 15 November in Amacupa, Angola, by a group of guerrillas, shortly after he had celebrated mass. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3259] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

WFP AID--Persons displaced because of the South African intervention in southern Angola will receive emergency food aid from the World Food Program (WFP) amounting to nearly \$4 million, according to an FAO bulletin. The WFP will send 10,140 tons of corn and edible oils to aid the 131,000 persons most affected for 6 months. In July, the WFP sent food aid worth \$2,368,500 to the people of southern Angola hit by the drought. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3259] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

CSO: 4719/339

FOR OFFICIAL USE ONLY

CHAD

REPORT ON COMPOSITION OF OAU PEACEKEEPING FORCE

Paris JEUNE AFRIQUE in French No 1089, 18 Nov 81 pp 35, 36

[Article by Sennen Andriamirado "The Triangle of Peace"]

[Text] The Inter-African Force will be equipped by Paris, financed by Riyadh and commanded by Lagos....

Two battalions of Nigerians, one of Senegalese and one of Zairians, or more than 2,000 soldiers of the "Inter-African Peacekeeping Force" are set to move into Chad within the next 2 weeks. Three thousand men in all will arrive between now and the end of the year.

Edem Kodjo, the secretary general of the OAU [Organization of African Unity], has been preparing to go over the final details on 11 November, in Lagos, with Nigerian President Shehu Shagari. Nigeria's top diplomat, Ishaya Audu, and Gebre Egziaber Dawit, an Ethiopian who is the OAU's special representative in Chad, flew in specially from Nairobi, on the eve of the talks, to participate. And let us not forget the Kenyan minister of foreign affairs, Robert Ouko, representing his head of state, Mr Daniel Arap Moi, acting president of the organization.

So the first elements of the Inter-African Force will thus arrive less than a month after the departure of the first group of Libyan troops.

Other states, in addition to Nigeria, Senegal and Zaire, agreed to participate in the force as a result of strenuous negotiations held on the sidelines of the Franco-African conference in Paris. Gabonese President Omar Bongo, for example, let himself be convinced by his more senior counterparts Felix Houphouet-Boigny (Ivory Coast) and Mobutu Sese Seko (Zaire) to contribute to the force, though previously he had been hostile to the idea, preferring a UN force. His contribution was not troops, however, but putting C-130 transport planes at the disposal of the OAU.

Egypt, according to minister Butrus Ghali, will make a symbolic contribution of military medics: regular troops would be perceived as a provocation to the Libyan adversary. Benin and Togo have also decided to contribute since the time the Paris summit was held. Also, Algeria has reportedly at last agreed to provide some of the logistical support.

FOR OFFICIAL USE ONLY

What is it that has suddenly put an end to the equivocation which has paralyzed the African states since 1979? For one thing, the decision made by the OAU summit in Nairobi in June 1981, to be sure: for the first time, a direct appeal was made to all member states. Doubtless, also, the campaign Edem Kodjo has undertaken since then to get the support of various heads of state. Above all, it cannot be denied, reluctance was overcome by the agreement of non-African countries to furnish material support (equipment, transport and even armament) and financial backing.

Thus, by an ironic twist of fate, former French president Valery Giscard d'Estaing's cherished idea of a "trialogue," which the OAU had always rejected, is now being realized in the most spectacular way--but in the domain of military materiel. For in the case at hand the Africans are supplying the natural resources (human beings, since we are speaking of soldiers), an industrialized country (France) will provide the technology, and--at least according to some reports--Saudi Arabia will finance the expedition, particularly the maintenance costs of the force.

Paris's contribution was directly negotiated between France on the one side and Senegal and Zaire on the other--Nigeria needed no assistance, and the OAU says it has not asked anyone for technical assistance. The OAU, however, will assume sole responsibility for coordinating financial contributions. For the OAU will be in charge of all operations. The accord signed 4 November by the president of Chad, Goukouni Oueddei, and Edem Kodjo when the two were passing through Paris (in reality both men had agreed beforehand to meet there), laid out the principles which would guide the force, principles modeled on those which govern United Nations forces.

The first principle is that the Inter-African Force will be under the authority, not of the GUNT (Transitional National Union Government), but of the secretary general of the OAU. He has already designated his special representative in Chad, Ethiopian Gebre Egziaber Dawit, who is to be assisted by a committee formed from representatives of Benin, Congo, Guinea, Togo and Kenya. Under the political-administrative control of the OAU, the force will be under the military command of a high-ranking officer--presumably a Nigerian--backed up by a "committee of officers" from all of the various national contingents who will make up the general staff.

The second principle is that the Inter-African Force will not be coercive, in other words it will use its weapons only in self-defense and not take its fighting orders from the GUNT. There is, however, one subtle variation from the UN rules: the Inter-African Force in Chad will do more than just defend itself, since it may be led to defend the GUNT's authority.

The same nuance should also have the effect of amending the third principle, which under UN rules is that an international force must be purely for preservation, in other words absolutely neutral between the possible antagonists. In Chad, such a restriction would not be in conformity with the spirit of the OAU decision. Of course, the principal mission of the Inter-African troops will be to prevent confrontations between the rival Chadian factions, and it is in this sense that the term "peacekeeping force" was used.

One UN principle was not maintained: the nonparticipation of certain states in creating the force. Since the Korean War, the UN has made it a rule not to allow the two most influential members of the Security Council (the United States and

FOR OFFICIAL USE ONLY

the Soviet Union) to participate in an international expeditionary force. No such usage exists (yet) in the OAU, but the Lagos accords (August 1979) excluded the participation of neighboring states (Cameroon, Central Africa, Egypt, Libya, Niger, Nigeria and Sudan). As it turns out, Nigeria is supplying the bulk of the troops. According to the special representative of the OAU secretary general in Chad, Gebre Egziaber Dawit, "the Nairobi resolution, adopted unanimously by the member countries of the OAU, a resolution more recent than the Lagos accords, does not contain that restriction. As far as the OAU is concerned, this makes the Lagos accords inoperative."

Thus there is nothing to prevent Libya from participating in the Inter-African Force. But it seems unlikely that it will. For one thing, because Qadhafi has been too deeply involved to have credibility as an arbiter. For another, and more importantly, the prospect of hosting the next OAU summit in 1982 is forcing Tripoli to take a more diplomatic tack. Nigeria--which is determined to assert itself as "Africa's great power"--understands this quite well.

COPYRIGHT: Jeune Afrique GRUPJIA 1981.

9516

CSO: 4719/314

5
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CHAD

CHAD SAID TO HAVE BEEN GOOD TRAINING SCHOOL FOR LIBYAN ARMY

Paris JEUNE AFRIQUE in French No 1089, 18 Nov 81 p 36

[Article by M.S. "Farewell to Arms"]

[Text] Col Qadhdhafi has certainly made up his mind to get out of the Chadian imbroglio. One week after giving the order for his army to withdraw (Tuesday, 3 November), more than 5,000 soldiers--out of a total of 8,500--have already returned to their barracks at Sebha and Tripoli. Over the same period fully half the military equipment has been sent back, including the armored equipment and armored cars. Day and night the big Ilyushin-76 and Hercules C-130 transport planes and a Boeing 707 belonging to Air Rwanda have been filled with men and machines to be flown back to Libya.

All these operations are being carried out in an orderly and disciplined way. Ndjamea was emptied of Libyan soldiers in scarcely 3 days. The only one left is Col Radwan Salah Radwan, commander in chief of the Libyan expeditionary force, who must coordinate the countrywide evacuation from the Chadian capital.

Guereda, Adre and Iriba, three towns along the Sudanese border, have also been evacuated. The ceasefire proclaimed by Hissein Habre several hours after the announcement of the Libyan withdrawal made this possible. On Monday, 9 November it was announced that the bases at Douguia, Mao and Ati, midway between Ndjamea and Abeche, had been evacuated. Then it was Abeche's turn. By leaving, the Libyans showed their determination to abandon Chad completely. At least almost completely, for Qadhdhafi has no intention of quitting the Aouzou Strip. Goukouni Oueddei would in any case not be in a good position to claim a region which was reportedly the subject of a deal made between Qadhdhafi and himself. In exchange for Aouzou Tripoli is supposed to have agreed to help Goukouni stay in power as president of Chad.

The Libyans would thus appear to have fulfilled their side of the contract. In addition to their support for the Chadian head of state, they created a sort of stability in the country, even if their prolonged presence was scarcely to the liking of a number of Chadians, particularly in the southern part of the country. People in the north, by contrast, welcomed the Libyans as "liberators." And soon every month more Chadians would arrive to fill up the hotels of Tripoli, later returning with pockets well-filled. They must not have been happy to see the Libyan withdrawal. Qadhdhafi's soldiers were doubtless relieved. The war was over. Because for them it really was a war. That was the word used in Tripoli to describe the Chadian expedition. The soldiers got double pay and their families received indemnities.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

"We will all be gone within 2 weeks," said Col Radwan on 4 November. A graduate of the Sandhurst academy (Great Britain), the 34-year-old commander of the Libyan troops in Chad is one of Qadhdhafi's trusted confidants. His predecessor was Abd-al-'Aziz Mas'ud, who made the "triumphal entry" into Ndjamena.

The majority of the 8,500 soldiers under his orders were Libyans. The rest of the contingent was made up of Arabs, Africans and a few European mercenaries responsible for bolstering and training the Libyans.

Chad was thus a good training school for Qadhdhafi's army. The military authorities of the Jamahiriya in fact plan to transfer the "veterans" of the Chadian expedition to the Egyptian and Sudanese borders.

While awaiting their new posting, the repatriated troops have been given 2 weeks' leave. It was only when the Libyan people saw them return that the Libyan people learned how the expedition turned out. For none of Tripoli's press organs had spoken of the outcome. The withdrawal was as mysterious as the intervention that began Sunday, 14 December 1980.

COPYRIGHT: Jeune Afrique GRUPJIA 1981.

9516

CSO: 4719/314

FOR OFFICIAL USE ONLY

CHAD

BRIEFS

LIBYAN LOSSES IN CHAD--On 28 November, Colonel Qadhdhafi stated in Sebha that "Libya will remain neutral if fighting breaks out again in Chad." He indicated that "Libya lost 300 martyrs, officers and soldiers in its operations in Chad and that another 700 were wounded. Some 40 are still hospitalized." Qadhdhafi added that Libyan losses represented only 2 percent of those taking part in the operations, "insignificant losses when one realizes that the margin of losses during the maneuvers using live ammunition may go as high as 5 percent of those involved." Qadhdhafi announced that the Libyan troops back from Chad would not be dissolved, but converted, "because of their performance, into rapid intervention forces." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3250] [COPYRIGHT: Rene Moreux et Cie Paris 1980] 11,464

OACI AID FOR AIRPORT--Restoration of service at the Ndjama airport, heavily damaged by the war, and reestablishing air connections between Chad and other countries constitute one of the six technical assistance projects approved by the International Civil Aviation Organization (ICAO). In a bulletin published by its headquarters in Montreal, the ICAO states that the projects were approved within the framework of the UN Development Program (UNDP) and include, in addition to Chad, Bangladesh (two), Colombia, Ethiopia and Nepal. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3250] [COPYRIGHT: Rene Moreux et Cie Paris 1980] 11,464

CSO: 4719/340

FOR OFFICIAL USE ONLY

R2A

LIBERIA

BRIEFS

AUSTERITY MEASURES--In November, military authorities in Monrovia took a number of measures to reduce governmental spending so as to face an increasingly alarming financial situation. These measures include the sale of the only Boeing 737 belonging to the government, a freeze of government payments except for salaries and a ban on the purchase of new vehicles for the next 6 months by members of the government and public enterprises. It would appear that the authorities wish to set an example following new outbreaks of social disturbances. September and October were marked by several strikes, particularly by teachers, who were widely supported by their students, workers at the very large Lamco mining company and hospital personnel at the John F. Kennedy Medical Center in Monrovia. Strikers, who were violating the law (strikes have been totally banned by the regime), were demanding better working conditions, but also and above all, higher wages. It should be noted that before the strikes broke out and in the face of an already alarming situation, the chief of state set up a committee of some 10 members in charge of studying the country's economy and making concrete proposals to improve it. The committee is headed by the newly-appointed minister of planning and economic affairs, Maj Bryon Tarr, who succeeds Maj Togba Nah Tipoteh, who fled to the Ivory Coast. Made up of bankers, economists and businessmen, it was to study the effects of the reconstruction tax instituted in August and of the higher prices for certain products. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3245] [COPYRIGHT: Rene Moreux et Cie Paris 1980] 11,464

SAUDI, ISRAELI RELATIONS--Shortly before his removal on 20 November, Gabriel Bacchus Matthews, then minister of foreign affairs, made a visit to Saudi Arabia for several days in order to try to strengthen bilateral relations. The visit ended on 15 November. It should also be noted that at the end of November, the same minister declared that his country saw no further obstacles to the normalization of relations with Israel. The statement was made before the UN General Assembly in which Matthews participated. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3245] [COPYRIGHT: Rene Moreux et Cie Paris 1980] 11,464

REDUCTION IN COMMERCIAL FLEET--According to a statement made at the end of November to Lloyds List by Philip Bowen, Liberian commissioner of the Merchant Marine, the Liberian commercial fleet has reportedly dropped from 8 to 10 million tons (10 to 12 percent) since the coup d'etat of 12 April 1980. The fleet now reportedly totals no more than 75 million gross tons. The reduction is said to be the result of the world shipping recession and of stronger regulations ordered by authorities as part of the framework of international conventions aimed at preventing accidents.

FOR OFFICIAL USE ONLY

However, it is also the result of the uncertainty caused by the change in the Liberian regime, and particularly by the attitude of banks, which advised owners to cease registering all their vessels in Liberia so as to "spread out the risks." Nevertheless, Bowen says that there is renewed confidence and the fleet is reportedly beginning to grow, although more slowly than at the beginning of the last decade. The Liberian fleet nevertheless remains the world's largest, even though its growth is not the annual 5 to 6 percent that the country's authorities had predicted.

[Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3246] [COPYRIGHT: Rene Moreux et Cie Paris 1980] 11,464

FRENCH LOAN--At the end of November, France granted Liberia a \$175,000-loan to help it finance the Sinoe oil-palm project. The project, begun in 1976, covers some 3,500 hectares. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3246] [COPYRIGHT: Rene Moreux et Cie Paris 1980] 11,464

CSO: 4719/340

FOR OFFICIAL USE ONLY

MOZAMBIQUE

BRIEFS

MEASURES AGAINST RURAL EXODUS--In Mozambique, as in most other African countries, the rural exodus has taken on major proportions. Without mentioning the attraction of city life, the movement of the rural population to urban centers is explained by difficulties born of natural disasters (drought, floods, and so on), which reduce the resources of rural areas. In order to check this situation, the government in Maputo has tried since independence to solve material problems and to give rural people resources as nearly equal to those of their city colleagues as possible, by raising the price of livestock and corn, setting up marketing structures for cooperatives' farm products, establishing community villages, and so on. It would appear that these measures are about to bear fruit and we are witnessing a reversal of the trend -- that is, the beginning of a movement from cities and a return to the land. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1881, 27 Nov 81 p 3196] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11,464

CSO: 4719/4719/339

11
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

SENEGAL

RELATIONS BETWEEN TWO PDS LEADERS 'NOT DOING WELL'

Paris JEUNE AFRIQUE 1. French No 1090, 25 Nov 81 pp 42-43

[Article by Sennen Andriamirado "Fara N'Diaye Versus Abdoulaye Wade"]

[Text] No arms have been discovered in the investigation of several PDS [Senegalese Democratic Party] militants "for" national security violations. Amadou Fall's statements (subsequently retracted, admittedly) that he had brought a shipment of arms from Libya into Senegal via Mauritania (J.A. No 1085) are thus unsubstantiated.

Despite the official silence, it seems that the serious charges hanging over several PDS militants--including parliamentary deputy Doudou Camara--have not been dismissed. Judicial interrogation began 4 November in Kakar, at which time it was asked that the principal defendants be released on bail. According to information corroborated by several sources, it has reportedly been established that, while arms may not actually have been brought into the country, the investigators have uncovered a plan to transport and distribute military equipment throughout the country. It has reportedly also been established that the six bodyguards of PDS secretary general Abdoulaye Wade, who went to Libya for training between March and May 1981 (J.A. No 1086), received more than just instruction in "close-in protection." Contrary to the assertions made by Mr Wade, the goons were supposedly initiated into sabotage techniques: use of explosives and destabilization techniques, in particular.

However, no official confirmation can be expected before the trial, which is expected to begin without delay. In any case the PDS, whether the victim of entrapment (as Mr Wade says) or of its own ill-considered action (as its opponents believe), has been weakened by this affair, perhaps even torn to pieces. There are more and more defections in the ranks. Early in October a deputy, Yousouf Diene, resigned. Other militants followed suit, at Kolda (the fiefdom of Doudou Camara, one of the principal defendants) and M'Bour, the electoral district of Fara N'Diaye, deputy secretary general and number two man in the PDS.

Relations between the number one and number two men--Abdoulaye Wade and Fara N'Diaye (J.A. No 1037)--are themselves not doing very well, despite the protestations of friendship and solidarity they both have made. The deputy has taken over the reins of the party after convincing the leader to remain outside the country.

We met Fara N'Diaye as he was passing through Paris in early November. He does not tell precisely the same story as Wade. Circumspect in his statements about the

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

government, artful in dealing with the party whose "savior" he has suddenly become, Fara N'Diaye is keeping his composure and views the situation much like President Abdou Diouf does: that the case should be decided in the courts, and that the only question is whether or not there was a violation of national security. Beyond that, the action head of the PDS--a title he rejects--says he is confident about the party's future. Doubtless because he is organizing a special national convention to consider the lessons of the "affair" between now and the end of the year. Presumably, it will also render judgment on the actions taken by Abdoulaye Wade, who theoretically should preside at the opening session in Dakar. Whether he will preside at the closing session no one knows--except perhaps Fara N'Diaye who has the advantage of being on the scene, and the handicap of being neither as good an orator nor as well-off as Wade.

COPYRIGHT: Jeune Afrique GRUPJIA 1981.

9516
CSO 4719/314

FOR OFFICIAL USE ONLY

SENEGAL

PDS SECRETARY INTERVIEWED CONCERNING PARTY'S CONDITION

Paris JEUNE AFRIQUE in French No 1090, 25 Nov 81 pp 43-44

[Interview with Fara N'Diaye, acting secretary general of the PDS [Senegalese Democratic Party], by Sennen Andriamirado, date not given, in Paris]

[Text] [Question] You met President Abdou Diouf in Paris, at the Senegalese Embassy, on 4 November. Doubtless you talked with him about the accusations leveled against some of your party militants.

[Answer] Yes, I saw him. He thinks that it is a tiresome affair, that as far as he is concerned, he only wants to exercise his rightful authority and it is up to the courts to determine whether there was in fact a violation of national security. I think, like he does, that it should be taken care of in the courts.

[Question] Mr Wade, who has been in Paris now for close to 2 months, did not see President Diouf. Was he fully informed about your meeting?

[Answer] I do not initiate anything without first consulting with my superior.

[Question] Do you know whether Wade met with certain African heads of state during the Franco-African summit in Paris to ask their good offices in this affair?

[Answer] I only know that he met President Omar Bongo at the Hotel Crillon, but I am not certain that he asked for any kind of good offices.

[Question] Do you think it would be improper for Abdoulaye Wade to ask the French PS [Socialist Party] to mediate or get involved?

[Answer] Yes. Absolutely improper. But I do not think that what you say has happened.

[Question] Why is your secretary general not returning to Senegal? Could he be accused of something?

[Answer] No. We in the national secretariat of the party believe it is essential for him to remain abroad to explain our views on the situation.

[Question] To whom, for example?

FOR OFFICIAL USE ONLY

[Answer] To you!

[Question] Was it his own decision to remain abroad?

[Answer] To the contrary. He wanted to come back. But he was in the minority. The party leadership decided otherwise.

[Question] What was your personal opinion?

[Answer] I was one of those who thought he should not return right away.

[Question] On Thursday, 1 October, when I telephoned you, though, you told me that you were expecting him that day in Dakar.

[Answer] It was not my place to confide in you at a time when the government did not know whether Wade was going to return or not. But the national secretariat had made the decision the night before.

[Question] In Mr Wade's absence, the PDS is in your hands, since you are the deputy secretary general. His absence seems to suit you....

[Answer] Not at all! Not if we are speaking of my personal interests. What you are saying there credits the rumors of rivalry between Wade and myself.

[Question] To hear you talk, everything between you two is "peaches and cream!"

[Answer] We have two different personalities, our methods may be different, some of our ideas may be different.

[Question] So what are you doing together?

[Answer] We are different, but we counterbalance each other.

[Question] There is certainly no shortage of "counter" right now!

[Answer] I do not know whether the problem should be viewed in those terms. The party is functioning, certainly. We hold meetings regularly; two or three times a week, I send missions into the country. But I do not think the question is well formulated. Presently, for example, Wade is absent, and I too am absent from Senegal, and someone has been named to head the party in the interim.

[Question] Have you asked Mr Wade to return soon?

[Answer] Not yet.

[Question] It might be a long time!

[Answer] And it might not! It is up to the national secretariat to decide.

[Question] Does not this prolonged absence of the secretary general also tend to lend credence to the charges against some of its leaders, if not the party itself?

[Answer] There are some people who think so. But our feeling is that it is in the party's interest for Abdoulaye to continue the work he is now doing. While out of the country he is making contacts that he alone can make.

FOR OFFICIAL USE ONLY

[Question] Are the militants not disturbed by this absence? Are they not worried seeing the PDS in trouble?

[Answer] The PDS is not in trouble. Some leaders and some militants have certainly been arrested, an accusation hangs over the party, but that is as far as it goes. They are not worried.

[Question] There have been a large number of defections from your ranks.

[Answer] The number of these defections has been exaggerated. LE SOLEIL wrote that 60 militants had resigned at Kolda and 300 at M'Bour. That is absurd! People will say anything. That aside, these defections were not political in nature.

[Question] Is Wade himself not in trouble?

[Answer] That is a question for the leadership of the party and its militants. We are sending emissaries to explain the absence of the national secretary general. But the question, I admit, is raised at every meeting of the secretariat.

[Question] Are you sure that Wade will come back to Senegal when the party decides it is time for him to return?

[Answer] Well! I do not think he can do otherwise if the party leadership asks it of him! He can come back with nothing to fear either as a citizen or as the secretary general of the party.

[Question] Does the party not think that Abdoulaye Wade may have acted on his own, unbeknownst to the secretariat, in that business of trainees being sent to Libya? Did you yourself know about it?

[Answer] It is an interesting question, and one which might well be asked. But, as far as the party is concerned, the majority of the leadership is not doing so: the secretary general has a certain latitude in taking initiatives. There is no necessity a priori for us to monitor his actions. If by his actions he should harm the party, then we settle accounts with him a posteriori.

[Question] In the case at hand, has he hurt the party?

[Answer] I do not think so. I am sure that if he had submitted that decision to our national leadership, it would have been approved.

[Question] So, the decision was not submitted to your leadership?

[Answer] (Laughs) You have to go by what he tells you! Abdoulaye Wade has told us that he did not have advance knowledge of the decision made by Doudou Camara to send his goons for training in Libya.

[Question] Do you know what the trainees did in Libya?

[Answer] No. I had no access to the instructional materials. But if one believes the government, they were taught to handle arms, explosives, and instructed in techniques of destabilization.

FOR OFFICIAL USE ONLY

[Question] What do you think?

[Answer] Well, it is certain that we did need a party militia, bodyguards.

[Question] The word militia has very military connotations.

[Answer] It's a matter of semantics. The (Senegalese) Socialist Party [PS] certainly has its vigilantes.

[Question] It is one thing to be a goon, and quite another to be a demolitions expert.

[Answer] Are you certain that those men learned how to handle explosives? I am not.

[Question] Have you ordered an investigation within the party?

[Answer] Absolutely not. I met with Doudou Camara only a few hours before his arrest. He told me that he had gone to Libya for a course in "close-in protection." And the instruction manuals found are the usual documents found in all military and paramilitary organizations. That aside, speaking objectively, I do not think that people can be taught military techniques in 2 months.

[Question] Does the Senegalese Government have good reason to be worried?

[Answer] It is legitimate to investigate to determine whether or not there has been a violation of national security. If I were in the government, I would have acted the same; I would be derelict in my responsibilities if I did not order such investigations. It remains to be seen whether the measures taken to ascertain the truth were completely legal.

[Question] You seem to doubt it. Is Senegalese democracy perhaps in danger?

[Answer] Senegalese democracy has a cold! Coming right after Senghor's departure and the establishment of a multi-party system, we did not need all this. It is a pity, this attack against the main opposition party.

[Question] But what if it were the result of some blundering or ill-considered actions on the part of the PDS itself?

[Answer] Democracy should not be viewed in terms of blundering or artfulness on the part of any one political leader.

[Question] Will Abdou Diouf respect the democratic rules of the game?

[Answer] I have no reason to think he is not a democrat. When I met him in Paris, the first thing he asked me was whether our militants had been tortured. I was naturally obliged to say no. I also know that some members of his party had urged him to transfer the matter to the state security court, and that he refused.

[Question] Do you believe there will be alternation [of ruling majorities] in Senegal?

FOR OFFICIAL USE ONLY

[Answer] I am in the PDS in order to win power democratically. And I think that it is possible.

COPYRIGHT: Jeune Afrique GRUPJIA 1981.

9516

CSO: 4719/314

FOR OFFICIAL USE ONLY

SENEGAL

DATA ON INDUSTRIAL FIRMS IN DAKAR FREE ZONE

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3239

[Text] The General Directorate of the ZFID [Dakar Industrial Free Zone] recently drew up a balance sheet of promotion for the ZFID, showing the enterprises established in the Free Zone and the various projects for the establishment of other industrial units.

Five years after it was set up at the end of July 1980, only six enterprises have carried out their industrial projects:

The African Rubber, Automobile and Cycle Company (SAFCAC), a limited liability company with capital of 120 million CFA francs, made an investment of 1,116,130,000 CFA francs and employs some 150 full-time wage earners, to whom it pays over 100 million CFA francs in salaries a year.

The Technical and Commercial Union (UTC), a limited liability company with capital of 100 million CFA francs, was originally supposed to bring together five different enterprises. It is currently made up of Transcogants (glove-manufacturing company) and Transcodi (lighter-manufacturing firm). Its investments amount to 220 million CFA francs and the company employs 175 persons.

With 35 employees, the French-African Metallurgy Company (SAFAM) manufactures trailer shops and metal frames in particular. A limited liability company with capital of 150 million CFA francs, its investments total 420 million.

With about 100 employees and investments of 180 million CFA francs, Senegal-Belgique-France (SEBEFRA), approved in 1980, makes sports clothes.

The African Woolen Mills (FILAF) employ about 100 persons in a small-scale rug-making factory. In its second phase, FILAF could employ up to 2,000 persons and make investments of 465 million CFA francs.

Finally, the Industrial Food Products Company for West Africa (PAP-Afrique) is considering the establishment of an industrial tomato and canning plant. There would be 101 Senegalese employees after 2 years of operation and investments would total some 1.7 billion CFA francs.

Since the end of July 1980, in addition to Tamaro, Inc. (sugar milling plant with investments of over 1 billion CFA francs), the ZFID has given its approval to five other projects in 1981:

FOR OFFICIAL USE ONLY

Parke Davis of West Africa, which will make pharmaceutical products and cosmetics, will have investments of 1.4 billion CFA francs and employ 80 Senegalese in the beginning. Its capital, 250 million CFA francs, is held (99.98 percent) by the West German firm Goedecke AG, which is itself 100-percent owned by the American company Warner-Lambert. Work was scheduled to begin in November 1981.

Semail, with a capital of 150 million CFA francs (Hong Kong investors), is to make investments of 320.75 million francs and employ 120 Senegalese initially.

Rapi, a company with a capital of 40 million CFA francs, proposes to invest 360 million CFA francs and employ 25 Senegalese for the manufacture of plastic products for industry. Rapi, which is Belgian-owned, was to begin its activities in November 1981, on premises loaned by the Free Zone.

International Housing Company Senegal, an American company, has just joined with the Senegalese minister of economy and finance in signing an agreement to buy back facilities that belonged to the former Masyda. IHC-Senegal will employ about 50 Senegalese full time. The number will grow very rapidly because of the company's markets in Saudi Arabia, Mexico and a number of countries in ECOWAS. In addition to the purchase of the former Masyda, IHC-Senegal provides Senegal with \$500,000 for the rehabilitation of facilities and raw materials in order to successfully manufacture prefabricated housing components.

Medical Equipment (MEDIMAT) is a company that produces several products used in the medical field. Initially, the company will produce only atoxic and sterilized propylene syringes.

Finally, the Dakar Industrial Free Zone is closely following some 40 industrial projects, most of which are in the feasibility study stage. They should permit the creation of 3,200 jobs and overall investments of some 12 billion CFA francs.

Out of these 40 projects, 12 are Italian (woolen blankets and synthetic furs, toys, electrical household appliances, glass bottles and glasses, containers, shoes, materials for the chemical industry, fish flour, prefabricated construction elements and cultured pearls), 9 are Brazilian (bicycles and motorcycles, calculators and registers, canned chicken and margarine, watches, audiovisual equipment, lighters, telephones, television sets), 6 are Senegalese (razor blades, cosmetics, canned fruits and vegetables, diesel motors, tractors and agricultural equipment, carbonated beverages, leather and fabric items), 6 are French (insect exterminators, quick freezing of seafood products, spark plugs, processing of expanded polystyrene, table peanuts, livestock feed), 2 are from WASC countries (railroad cars and hurricane lamps, the latter project initiated by the West African Development Bank, BOAD), 1 is Portuguese (liquors), 1 is Indian (rope and woven bags), 1 is American (cosmetics), 1 is Dutch (cigars and cigarettes) and finally, 1 is Canadian (fishing nets or industrial cotton).

COPYRIGHT: Rene Moreux et Cie Paris 1980.

11,464
CSO: 4719/340

FOR OFFICIAL USE ONLY

SENEGAL

BRIEFS

SENEGALESE-KUWAITI BANK YEAR--The 1980 fiscal year of the Senegalese-Kuwaiti Bank was marked by noteworthy development of activity, both domestic and international. On 30 September 1980, the balance sheet totaled 17.2 billion CFA francs (up 39.42 percent over September 1979). Customer resources (demand and term deposits) make up 2.8 billion CFA francs (up 21.4 percent). Independently of these local resources, the bank enjoys aid from the Kuwaiti Development Fund and foreign financial institutions (2.6 billion CFA francs). Total credits to the economy (commercial portfolio and advances) represent 12.5 billion CFA francs (up 64.02 percent), with ONCAD [National Office of Cooperation and Assistance for Development] providing 2.4 billion in credits. Not included in the balance sheet, commitments for guarantees and backing and openings of confirmed documentary credits total 4.5 billion CFA francs, compared with 1 billion on 30 September 1979. In addition, the balance sheet on 30 September 1980 included 1.7 billion CFA francs in advances and loans to the government and financial institutions. Thanks to bank aid, the Sotiba Textile and Industrial Complex was Senegalized and the Sabe plant, which specializes in prefabricated industrial construction, expanded its means of production. In addition, the bank participated in the capital of the Senegalese Housing Bank. After amortizations, provisions and taxes, the fiscal year showed a net result of 174.3 million CFA francs (up 22 percent), on which the general assembly meeting of 23 March 1981 decided to distribute a 7-percent dividend for capital of 2 billion CFA francs. The Senegalese-Kuwaiti Bank is headed by Babacar Kebe and Slaheddine Moualhi is the general manager. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1882, 4 Dec 81 p 3239] [COPYRIGHT: Rene Moreux et Cie Paris 1980] 11,464

CSO: 4719/340

FOR OFFICIAL USE ONLY

ZAIRE

ECONOMIC AND FINANCIAL SITUATION AT END OF JUNE 1981

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1878, 6 Nov 81 pp 2804-2807

[Text] The stabilization phase of the Mobutu Plan ended 31 December 1980.

After a final visit to Kinshasa in December 1980 the International Monetary Fund seemed satisfied with the "performance levels" achieved by Zaire in the framework of the Mobutu Plan. Therefore the year 1981 was starting off with an enormous hope--the hope of being able to rapidly benefit from IMF extended facilities which were meant to make it possible to start up the real economic recovery plan. With this outlook in view a 13 April 1981 regulation-law approved the 1981-1983 public sector investment program which constitutes the Executive Council's recovery program during the period being considered.

The overall cost of the 3-year program added up to 6,867.3 [million] zaires of which approximately 4,688.1 million were in foreign currency.

In actuality it was not until 23 June 1981 that the IMF announced its decision to grant Zaire the "extended facilities" under discussion for several months. The total sum of this credit is 912 million SDR which is the equivalent of \$1,058 million or about 41 billion Belgian francs. It is being made available over a period of 3 years. The IMF stated that this credit, the largest ever granted by that institution to an African country, was intended to "permit a gradual revival of the economy, a reduction in inflation, and balance of payments improvement."

The Monetary and Financial Situation

The 1981 Budget--The budget plan for 1981 was filed in October 1980 and initial alterations were made on 27 December 1980. (See the 6 March 1981 issue of MARCHES TROPICAUX ET MEDITERRANEENS, page 548.) In March 1981 the government found itself forced to once again adjust that budget (Regulation-law #81-106 dated 13 April 1981 set new definitive provisions.)

The budgetary law authorizes a 500 million zaire deficit but the new projected deficit was going to amount to the sum of 521.3 million. In order to cover this extra amount, the state commissioner for finance and budget was authorized to take out one or several loans during 1981.

Portfolio Management--The portfolio department, which had collected some 67 million zaires in 1980 according to figures given by the Zairian press, declared that it anticipated realizing nearly 81 million zaires of dividends in 1981.

FOR OFFICIAL USE ONLY

The Reorganization of Customs--Various measures have been and will be taken with a view towards changing Zaire's customs policy which was previously "tax" policy into "economic" policy pressing for revival of the country's economic activity.¹ The "Customs and Excise Office" (OFIDA) has received sizable assistance from Belgium in terms of finance and personnel.

Currency--Up until 19 June the zaire rate remained stable; changes in the value of the SDR, the SDR being greatly affected by the rising dollar rate, even caused a short-lived rise in the official quoted value. On 19 June the Executive Council decided to once again devalue the zaire by 4 [as published; 40?] percent, bringing it down to 0.1575 SDR (compared to 0.2625 ever since the last devaluation in March 1980). On 23 June the zaire was averaging 7.0707 Belgian francs on the Brussels money market. A new unofficial rate was immediately established on 30 June at around 4 Belgian francs on the Zurich market.²

It is still too early to talk about the repercussions of this devaluation measure on the country's economic and social environments. While exports will certainly be given an advantage, the cost of living might well be affected and the working masses might well be faced with tough problems.

Inflation--During that same 6 months Zaire's two standard indices (the index in Kinshasa stores using a base of June 1960=100, and consumer goods in Kinshasa markets using a base of December 1964=100) show the continuation of the slowdown recorded during the last few months of 1980. However, it will be necessary to wait for the results of the second 6 months of this year before being able to arrive at more definite conclusions in view of the aforementioned devaluation.

SAD Imports [Imports Without Purchase of Foreign Exchange]--Zaire's entire economic system has for many long years been suffering from a tragic shortage of foreign currency. Because that shortage served to check commercial and industrial imports, it has weighed heavily on the productivity of agribusiness firms, mining firms, and other firms, causing a reduction in the country's exports for that very reason.

In order to get out of that vicious circle there ended up being administrative tolerance for the use of SAD (no purchase of foreign exchange involved) licenses. In actuality this encouraged smuggling and gave rise to an incredible series of schemes which made a highly placed class of profiteers very wealthy.

In January 1981 the Bank of Zaire via its circular #175 legalized this curious system with a two-fold aim: 1) to alleviate the country's shortages in supplies of consumer goods, raw materials, spare parts, etc.; and, 2) to enlarge the customs tax base and thereby increase budgetary receipts.

While this system has been presenting certain advantages for the time being, in the long term it unquestionably risks gradually corrupting the Zairian economy and partially emptying it of its substance. Curiously enough this business occurred during the recent probation period imposed on Zaire by the IMF (from January to the end of June 1981) which institution dauntlessly helped to set up a legal system running counter to the entire policy imposed by it up to now.

Zaire's foreign trade has been rescued (at least in part) by legalized fraud: this is one more paradox to add to the long list of them which have seen the light of day in Zaire throughout its first 20 years of independence.³

FOR OFFICIAL USE ONLY

The Economic Situation

At the end of 1980 a certain hope was emerging of seeking the economic situation improve gradually and slowly but steadily. By 30 June 1981 it seems that the facts did not entirely match that hope.

We are taking the following quote, which is--do believe us--revealing, from a 23 June 1981 press statement published in the IMF bulletin: "Important progress had been made in 1980 in the framework of the stabilization program. However, the external position has continued to be subjected to pressures and marked structural imbalances have persisted within the economy. A drop in the prices of Zaire's principal exports, namely copper and cobalt, as well as the growing burden of external debt service, have intensified this problem."

The Mining Sector

Copper--The production of GECAMINES [General Quarries and Mines Company] for the first 6 months amounted to 225,000 tons. For the same period amounts transported out reached 219,029 tons via the following routes: 111,121 tons via Matadi (Zaire); 8,808 tons via Dar-es-Salaam (Tanzania); 44,401 tons via Durban (South Africa); and 54,699 tons via East London (South Africa).

No figure is available with respect to SODIMIZA [Industrial Development and Mining Company of Zaire].

Once again there was the matter of reviving the Tenke-Fungurume Mining Company located in the southern part of Shaba between Likasi and Kolwezi. Mining that deposit will depend on completing the high tension line which will bring electricity from Inga to Shaba.

To finish off let us observe that France's BRGM [Bureau of Geological and Mining Exploration] which has an interest in the possible mining of a deposit located at Bikulushi, has been able to make progress because of mineralogical tests of large samples and a study of the possibilities for getting out concentrates.

Cobalt--1980 cobalt production amounted to about 14,480 tons. Since 1980 sales were between 6,500 and 8,000 tons, and faced with the aforementioned output, Zaire rapidly found itself sitting on top of a 14,000-ton stock (which is the equivalent of a year's production).

The output of the first 6 months of 1981, which rose to 7,500 tons, has not been shipped out except for 4,751 tons, 3,630 tons of that by sea (Durban) and 1,121 tons by air. This is in spite of the fact that as of 2 March 1981 Zaire had reduced its product price by 25 to 30 dollars a pound.

Diamonds--The first 6 months' production of MIBA [Bakwanga Mining Company] amounted to 2,550,000 carats and it was possible to export 2,720,000 carats.

On 26 May a statement by the Zairian Company for the Marketing of Ores (SOZACOM) announced that the valuation and sale of Zairian diamonds would be carried out henceforth in Kinshasa under conditions specified by that company, a state enterprise in charge of handling the marketing of the country's ores and mining products. An initial sale was carried out on 29 May. It involved 620,000 carats, acquired by three purchasers approved by the Republic of Zaire.

FOR OFFICIAL USE ONLY

Cassiterite (Tin)--As was the case in our preceding summaries, the only available figures are those which have been conveyed to us by SOMINKI [Mining and Industrial Company of Kivu] which for the first 6 months of the year has shipped out 1,493 tons of cassiterite, 36.75 tons of wolframite, 45.5 tons of coltan and 21.6 tons of monazite.

BRGM is planning to expand the operations of SOMIKA [Karongo Mining Company] in Kania, in northern Shaba. BRGM holds an 80 percent share in SOMIKA via its mining subsidiary CONFRAMINES [expansion unknown; French Mining Company?]. Work on the facilities has begun; production was to start up in spring 1981 and might reach 750 tons a year.

Gold--It is not possible to find an overall statistic any more than it was for the two 6-month periods of 1980. The only indication is from SOMINKI which exported 232.7 kg of pure gold via Kinshasa (N.B.: in 1979 SOMINKI's production represented 20 percent of the total).

According to unofficial Zairian sources the situation of OKIMO (Kilo-Moto Office) a state enterprise, is said to still leave much to be desired; nearly half of its output is said to be smuggled.

Oil--On 9 and 10 May SOZIR [Zairian-Italian Refining Company] carried out tests of the desalinization unit it acquired at a cost of \$800,000 in order to be able to process Zairian crude oil. SOZIR's director-administrator declared himself satisfied with the operation of the facility.

Sometime in June 1981 the director general of Esso Zaire stated: "The Mbandaka geological drilling has not given any indication of the existence of hydrocarbons in that region. However, that does not call into question the potential of the central basin. A second drill hole was started in a place located 15 km from Lokolama (Bandundu). That second operation will make it possible to know if work can be continued in the central basin (that work being a seismic operation which in the event of continuation would take place in 1982/1983)."

Regarding ZAIREP, the experimental production effort which started up in April 1980 (32,228 barrels exported in December) will be continued in 1981. Three new shafts will be drilled in the second half of the year. If the results prove to be positive, large-scale production of that facility can be considered.

Agriculture and Forestry

Rural Environment Crops--The third section of the Mobutu Plan included an important item devoted to the PMA (Minimum Agricultural Plan) (see MARCHES TROPICAUX ET MEDITERRANEENS issues of 1 August 1980 page 1894 and 6 March 1981 page 601).

The results of this PMA taken as a whole have been disappointing: the "absence of financing" for agriculture was one of the principal causes. In order to alleviate these difficulties the Executive Committee decided on the creation of an Agricultural Bank which will channel all the resources meant to support the effort to revive agriculture. The purpose of the bank is to make it possible to achieve the new PMA established on 15 March 1981 by the Agriculture Department.

FOR OFFICIAL USE ONLY

An important development is that the Agriculture Department's budget for 1981 has been quintupled: it now amounts to 200 million zaires. The state's effort on behalf of the agriculture sector for the period 1981-1983 is amounting to 1,330 million zaires, 731 million of that in local currency and the rest in foreign currency. Additionally, state interventions on the order of 35 million zaires are planned via SOFIDE [Finance Company for Development].

While there is much talk in Zaire about "priority for Agriculture" and "agricultural revival," in practice it is impossible to get a more or less accurate idea of the efforts made and results achieved.

Agribusiness--In the agribusiness area, about which information is scant if not nonexistent, we would be tempted to apply an old saying, "no news is good news."

When this sector's companies like many other companies were suffering the unfortunate consequences of the deterioration of the Zairian economic system and were making desperate efforts to put some order back into the business concerns hurt by Zairianization, justified complaints made themselves heard. For months now a cocoon-like silence has been enveloping their activities which allows one to think the efforts which have been made, combined with a certain number of measures taken by the Zairian Government, particularly in the area of foreign currency allocation, are having their effect.

One thing is certain. That is that there have not been cases of abandonment recorded and that is more than just a favorable indication. For the second 6-month period this year we will attempt to gather a maximum number of statistical facts to back up the foregoing assertions.

Coffee--In the area of coffee, which still constitutes one of the country's most important agricultural outputs, the government has still not succeeded in stopping smuggling estimated at 20,000 tons a year (compared to around 60,000 tons exported), which is a quarter of total production. (N. B.: for certain grades of coffee it sometimes goes up to half of the harvest).⁴

Forestry Development--During February the state commissioner for environment, conservation and tourism drew the attention of farmers to the implementation of the reforestation policy decided on by the country's authorities.

He reminded them of the alternatives of which they were advised: either the enterprise itself carries out reforestation within the boundaries of the area where it was granted guaranteed timber supply, or it supplies the logistics needed for reforestation teams in the region. Because of that logistical support (opening up tracks, light tilling, transport of seedlings) the teams will provide for reforestation within and sometimes outside the enterprise's supply area.

So the granting or renewal of any permit for cutting timber is a function of the implementation of this reforestation program.

Industry

While Zaire is still potentially one of the most industrialized countries in black Africa (before June 1960 it had taken a very distinct lead over the other "colonies") its enterprises too often still run at levels from 20 to 40 percent capacity and in a great number of cases no longer manage to satisfy the domestic market's demand.

FOR OFFICIAL USE ONLY

The causes are well-known: too little foreign exchange and credit; no spare parts and raw materials; working capital constantly loses value. In this situation how is the burden of fixed costs to be distributed over fluctuating production and how is one to continue to insure an enterprise's profitability?

There is no recent piece of statistical data for this sector. While efforts have been made to improve the situation, the task is so difficult that results are slow in making themselves felt in a noticeable and continuous fashion.

Foreign Aid, Financial Assistance, Investments

The considerations put forward in the examination of Zaire's economic and financial situation at the end of 1980 (13 March 1981 issue of MARCHES TROPICAUX ET MEDITERRANEENS) under the heading "Foreign Aid and Financial Assistance" are still valid.

Regarding "multilateral aid," AID, the World Bank, the EEC and UNDP have continued their activity benefiting Zaire.

In the area of "bilateral aid" Belgium's role remains quite considerable. The same goes for France's role. Among the other countries contributing to the country's economic recovery, very special mention should be made of Canada, Chile, China, the People's Republic of the Congo, Japan, the FRG, and the United States.

Investments (Private)--As we have written before (1 April 1980 and 20 March 1981 issues of MARCHES TROPICAUX ET MEDITERRANEENS), reference made to the files published by SOFIDE (which are regularly reprinted in these columns so we will not go back over them any more here) gives a good idea of average current investments made via self-financing either by nationals or by foreign firms.

As of 19 June 1981 the total credit given amounted to 33,096,000 zaires (level of subsidies: 50 percent). "Classic" investment is still rare: if there are plans along those lines only the future will tell us when and to what extent they will be implemented.

Establishment of a Free Trade Zone System--Regulation #81-066 dated 30 April provides for the establishment, organization and operation of ZOFI (Inga Free Trade Zone). Its administration will be set up in Mwanda with a permanent office in Kinshasa. It should be noted that according to the map appended to the aforementioned regulation-law the Inga geographical zone in which the free trade zone is being established overlaps with the Bas-Zaire region and the Kinshasa urban region (see 22 May 1981 issue of MARCHES TROPICAUX ET MEDITERRANEENS, page 1429).

Transportation, Energy and Telecommunications

The rehabilitation of the various communication networks is one of the basic conditions for the success of the economic recovery plan. All aid and assistance programs quite special importance to it.

Air-Transport--The situation is still difficult. Belgian and French Assistance to Air Zaire has not succeeded in preventing the deterioration of that company.

Sea Transport--The expansion of container transport is continuing. By 2 years from now Matadi will be provided with a second terminal, after Kinshasa.

FOR OFFICIAL USE ONLY

Banana's deep-water port is still being studied. The updated cost of the work is estimated at 92 billion Belgian francs. Building it will require the extension of the Kinshasa-Matadi railway line to the sea.

River Transport--Tonnage transported during the first 6 months of 1981 amounted to: 166,444 tons upriver with a monthly average of 27,742 tons; 231,713 tons downriver with a monthly average of 38,619 tons; a total of 398,157 with a monthly average of 66,361 tons. The situation was the same for the first 6 months of 1980.

Provision is being made for new towing equipment for the port of Kinshasa and the River Lines Administration (buoyage in particular).

Railway Transport--Thanks to loans from various sources a big effort is being made for replacements of track and track ballast, particularly in Kasai (700 km of track to put in again).

The issue of electrification of the Matadi-Kinshasa line is not yet resolved (see 1 August 1980 of MARCHES TROPICAUS ET MEDITERRANEENS page 1896). Opinion is not unanimous as to the absolute necessity of the contemplated conversion.

Road Transport--After a fourth highway plan, with an estimated cost of \$156.5 million, Zaire prepared a fifth plan totalling \$400 million meant to improve and maintain 20,000 km of primary roads and 30,000 km of secondary roads. Rehabilitation of the Lubumbashi-Kipushi and Matadi-Boma main roads has begun.

Urban Transport--The Kinshasa Transport Company (STK) has worked out a program for fixing and replenishing rolling stock estimated at 229 million zaires, 120 million of that in foreign currency.

ONATRA [National Transportation Office] Program--A 5-year investment plan has been worked out for the 1980-1984 period. We gave all the details concerning this plan in two tables published in our issue number 1868 of 28 August 1981 (page 2228).

Water Distribution--A new rehabilitation program for REGIDESO [Water and Power Distribution Administration] has been set up for a 10-year period costing 217 million zaires. The first stage (1980-1985) will be divided into five phases at a cost of 117,251,000 zaires, of which 63,090,000 zaires is in foreign currency.

Electricity--SNEL [National Electricity Company] (Zaire) and SNE [National Energy Company] (Congo) have signed an agreement whereby SNE guaranteed SNEL energy purchases for 7 years. Specific price agreements have been made.

SNEL will be benefiting from 75 million French francs of financing for extension of the Kinshasa network. The IBRD [International Bank for Reconstruction and Development] will be financing the development of a similar program in Shaba.

Energy Policy--Zaire is concerned about its energy problems since the successive oil shocks are a heavy burden on a very unbalanced balance of payments. So Zaire has established an energy policy able to help change the disastrous current situation.

The Energy Department recommends the use of renewable forms of energy like wood (gas generating power stations or using wood as fuel) and hydroelectricity (Inga and hydropower mini-plants). Also being contemplated is the mining of the Lukuga coal deposits.

FOR OFFICIAL USE ONLY

New forms of energy (wind, solar, geothermal and nuclear) are supposed to be limited to specific and small-scale applications. Other sources of energy such as biomass, oil shale, tar sands or methane gas are not inconsiderable resources to be developed.

Telecommunications--In as vast a country as is Zaire the existence of an extensive network which performs well is not only an economic but also a social and political necessity. The Banana coastal station which should be finished in the course of the year will play an important role in the traffic and maritime security areas.

Semi-automatic switchboards have been installed linking Kinshasa and Kisangani. The new telex exchange installed in the capital will provide for connections with Zaire's interior and abroad.

The only risk what with all these projects is not having the capability to maintain the existing equipment which assumes regular supply of spare parts and continuous maintenance service by competent technicians.

Social Issues

Transfers; Payments; Social Security Contributions--The situation had improved somewhat during the second 6 months of 1980 but it has been tending to deteriorate again just as it does every year at the same time. According to information gathered from the best sources, the implementation of the measures taken by the Bank of Zaire leaves much to be desired, which again puts a goodly number of employers, and not the smallest ones, in difficult situations.

The measures taken by the Bank of Zaire regarding giving back foreign currency are insufficient and lack the flexibility which would permit entrepreneurs to adapt without difficulty to constantly evolving situations.

Prices--In the context of its new socio-economic policy the executive Council decided last 13 March to ease restrictions on the prices of luxury goods, which is to say limited consumption items. The prices of basic necessity goods remain under the prior approval regulations. In this last category are listed water, electricity, fuels, public transportation, food products, and pharmaceutical products.

The Economy and Industry Department drew attention to the fact that even if price restrictions are eased very strict control will still be carried out a posteriori by its specialist services to penalize those not respecting legal price structures.

We find ourselves faced with an interesting initiative here. But experience compels us to once again ask ourselves the eternal question: will those in authority be capable of making their decisions respected, and will not the laxity of a government which is still weak--a laxity which is unfortunately too well known--authorize mistakes which would ruin the mechanism?

Wages and Purchasing Power--The real income of Zairians has gone down at the pace of the successive devaluations of their currency. At the end of June the legal minimum wage was on the order of 15 percent of what it was in 1970 and 5 percent compared to what it was in 1960.

FOR OFFICIAL USE ONLY

In the cities the Draconian restriction on imports has reduced supply, giving rise to sudden price hikes and black market practices. Though the situation in the country's interior is different it is certainly not better. Far from it.

This reduction in purchasing power ends up having a negative impact on the economic system. Recovery in production could be jeopardized by a constant weakening of demand. Already in places one can observe declines in demand in certain sectors which had remained strong until now, like beer, textiles, cement, etc.

Miscellaneous Issues

Zairianization; Compensation--According to an official information source, Zaire is making a serious effort to compensate PME [small and medium enterprises] (individuals) who had in fact been Zairianized. A fifth portion of compensations has already been paid to the Belgian Government under the terms of the 1976 agreement. The wronged owners must be pleased with these payments; many owners had at one time stopped believing in them.

While it is a good idea to give Zaire credit for the efforts it has made in an area where its credibility had been seriously at stake, it is impossible to forget that regarding compensation for "corporate" persons (by far the most sizable amounts) there are still many lawsuits and no clear resolution is to be anticipated at this time.

Conclusion

On 1 January 1981 the country found itself almost on its knees as a consequence of the shock treatment which had been imposed on it by the IMF and which it had tried its best to keep to. However, at the beginning of 1981 some stances of the Zairian authorities cost them a disagreeable and unexpected extension of the probation period which did not finally end until the end of June in Paris after a new devaluation of the zaire.

After the extended facilities were granted which were mentioned at the beginning of this article, the "Club of Paris" meeting was held on 8 and 9 July and brought Zaire new satisfaction: the "friendly countries" who were undoubtedly influenced favorably by the IMF's decision granted Zaire a sizable readjustment of its external debt (\$300 million in payments deferred for each of the years 1981 and 1982).⁵

At this moment Zaire presents two different pictures to the eyes of observers. The first is that of a country which has just had the benefit of a sizable amount of IMF assistance which is thereby an expression of a revival of confidence in Zaire's capacity for recovery which had been questioned for a long time. The second is that of a nation which still gives rise to definite anxieties in all those, Zairian nationals or foreigners, who closely follow the changing socio-economic situation developing there from day to day.

Was not Minister Bomboko heard in Paris painting a picture of a not very encouraging short-term future for the Zairian economy and finances? (See 3 July 1981 issue of MARCHES TROPICAUX ET MEDITERRANEENS, page 1756).

FOR OFFICIAL USE ONLY

The 3 March 1981 issue of the international banking periodical INSTITUTIONAL INVESTOR printed certain figures which in their harshness are very rough on Zaire: "In a ranking based on economic credibility, in the Africa sector Zaire occupies 22nd place out of 23 while in the world it is ranked in 99th place, Uganda being last in both instances. Its 'Institutional Credit Rating' is 6.8 while South Africa is given 61.7."

In Zaire itself one finds oneself faced with two attitudes: that of the governing circles who, after a series of efforts the consequences of which they are undoubtedly the last to suffer, are doing everything to preserve the assets they have acquired; and that of a mass of Zairians which is becoming increasingly tired of the living conditions produced for it and which is evidencing a disillusioned apathy in the face of the continuing "Zairian disease," denounced by a president who is not succeeding in eradicating it.

Last 23 June the Permanent Council of Bishops had the courage to denounce an economic and social situation in which "men are particularly abused." They added, "Silence would make us a party to the decadence and misery which some already consider likely to lead our country to an apocalypse situation."

In view of all of this a question quite naturally arises: in spite of the efforts which have been made, in spite of the results which have been achieved, and in spite of the considerable amounts of money which have been poured into the country from all sides (multilateral and bilateral assistance), can Zairian economic recovery really be achieved without profound alteration of the overall situation and the mental attitudes of its leaders?

Even if we do not have available to us the specific economic indicators which should permit us to exactly assess what progress has been achieved, we must recognize that an improvement has been chalked up in certain areas. Moreover, we cannot forget that in November 1965 via a bold intervention President Mobutu saved the country from the chaos in which it was foundering, and that he succeeded in gradually establishing order in the country and maintaining it throughout 15 exhausting years.

To be sure, not all the initiatives taken by him, above all in the economic area, were beneficial for the country (the best example is that of Zairianization-radicalization). But, on the other hand, he had the courage to take measures which had fortunate consequences for the national economy (for example, the appointment of a high-priced Belgian expert to head ONATRA where the catastrophic situation has distinctly improved).

Without wanting to launch ourselves into political considerations, we are forced to recognize that in spite of the officially instituted democratization of the regime there is an increasingly marked concentration of all power in the president's hands. While this is perhaps in accordance with a "Bantu" conception of democracy and power, this is not necessarily likely to facilitate the solution of the big problems the country is presented with and to inspire total confidence in those who want to take an interest in its development.

For this president, whom people too easily venture to call a dictator, is not as free in his movements or as all-powerful as one might believe. In this daily exercise of power he is at odds with an entourage (largely family) which tries in every way

FOR OFFICIAL USE ONLY

to prevent decisions being made which are likely to interfere with its interests. This is to the detriment of the mass of workers (urban and rural) whose social condition is becoming increasingly shaky.

This mass of workers, without whom it is in practice impossible to bring about profound changes, has less and less of the necessary fervor and the confidence in a "guide" who feeds them more than fine promises than with good bread.

In order to get his recovery to succeed the president must as rapidly as possible accomplish a whole series of reforms. He is fully aware of this as his last speech shows. Will he have the courage to impose the necessary decisions, in order to finally give "his" people, of whose miserable situation he is aware, reasons to hope for real improvement in their way of life?

The announcement of the "privatization" of certain entities is something which is essential in view of the chaos which is developing. But will the schemes already being plotted to try and hinder that privatization be able to be broken up by the government before it is too late? It is up to President Mobutu to prove that he still has the courage and the grip to triumph over this kind of obstacle. For if he does not he could find himself confronted one day once more with the distrust of the international financial circles without which Zaire is incapable of getting out of its impasse.

There remains a major unknown for Zaire along with a good number of other African countries. That is the attitude of an army whose officers, who are undoubtedly overeducated, are often dissatisfied with the lot which falls to them, and of an army in which certain troops are dissatisfied who are not part of the units made privileged by the presidency. It is very much to be desired that the current government, after having become aware of its own shortcomings, get over them quickly--very quickly. Because that is for the greater good of a Zaire which is still rich with enormous potential, a Zaire which the West is ready to support on the condition that it sacrifice once and for all the elements which are eating away at the health which it could now recover. Chaos never profits anyone.

FOOTNOTES

1. The "Customs and Excise Office" has made it known that total customs revenues realized in 1980 amounted to 2,377 million zaires as against 1,165 million in 1979. Import revenues amounted to 948.75 million, export revenues, 1,402.2 million.
2. Since that date the rate is said to have fallen back to around 3 Belgian franc according to unofficial sources.
3. For more details see the 6 March 1981 issue of MARCHES TROPICAUX ET MEDITERRANEENS, page 624.
4. According to other sources (see 17 July issue of MARCHES TROPICAUX ET MEDITERRANEENS) the figures for 1980 are: 68,000 tons of Robusta; 6,000 tons of Arabica, and smuggling reaching only 10,000 tons.

FOR OFFICIAL USE ONLY

5. These first two meetings were to have been further supplemented by the meeting in September in Britain's capital of the "Club of London" (the group of private banks working with Zaire).

COPYRIGHT: Rene Moreux et Cie Paris 1981.

9631
CSO: 4719/242

END